

001

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

UTU-73451

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

na

7. UNIT AGREEMENT NAME

na

8. FARM OR LEASE NAME

na

9. WELL NO.

Atchee Wash 33-9

10. FIELD OR LEASE NAME

Natural Buttes

11. Sec., T., R., M., OR BLK

AND SURVEY OR AREA

Section 33, T10S, R23E

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

1a TYPE OF WORK

DRILL



DEEPEN



PLUG BACK



B TYPE OF WELL

OIL



GAS



SINGLE



ZONE

MULTIPLE ZONE



2. NAME OF OPERATOR

McElvain Oil and Gas Properties, Inc.

3. ADDRESS OF OPERATORS

1050 17th Street, Suite 1800. Denver CO 80265

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)

at surface 1469' FSL & 471' FEL 643321X 39.902209

At proposed prod. Zone NESE 4418039Y -109.323457

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

77.6 Miles South of Vernal, UT

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE
LINE, FT. (Also to nearest drlg. Unit line, if any)

471'

16. NO. OF ACRES IN LEASE

600

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION *
TO NEAREST WELL, DRILLING COMPLETED.

OR APPLIED FOR, ON THIS LEASE, FT.

0'

19. PROPOSED DEPTH

8,297

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)

5,214.4 GR

22. APPROX. DATE WORK WILL START

Aug 1, 2003

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	24#	2000	700 sks
7 7/8"	4 1/2"	11.6#	TD	850 sks

The operator proposes to drill the subject well. Please find the attached
10 pt and 13pt plans and plat map.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen or plug back, give data on proposed productive zone and proposed new
productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give
blowout preventer program, if any.

24

SIGNATURE

William A. Ryan

TITLE

Agent

DATE

8/18/04

(This space for Federal or State Office use)

PERMIT NO.

43-04734106

APPROVAL DATE

BRADLEY G. HILL
ENVIRONMENTAL SCIENTIST III

DATE

11-24-04

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED

NOV 16 2004

DIV. OF OIL, GAS & MINING

*See Instructions on Reverse Side

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the
United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Federal Approval of this
Action is Necessary

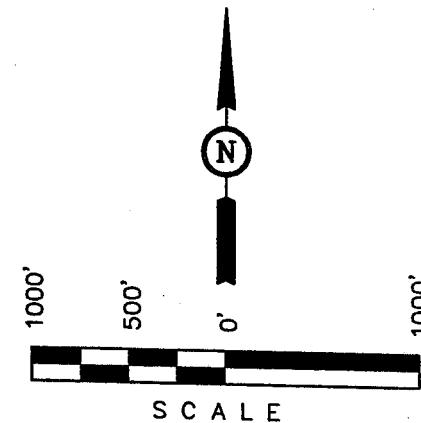
T10S, R23E, S.L.B.&M.

McELVAIN OIL & GAS PROP., INC.

Well location, ATCHEE WASH #33-9, located as shown in the NE 1/4 SE 1/4 of Section 33, T10S, R23E, S.L.B.&M. Uintah County Utah.

BASIS OF ELEVATION

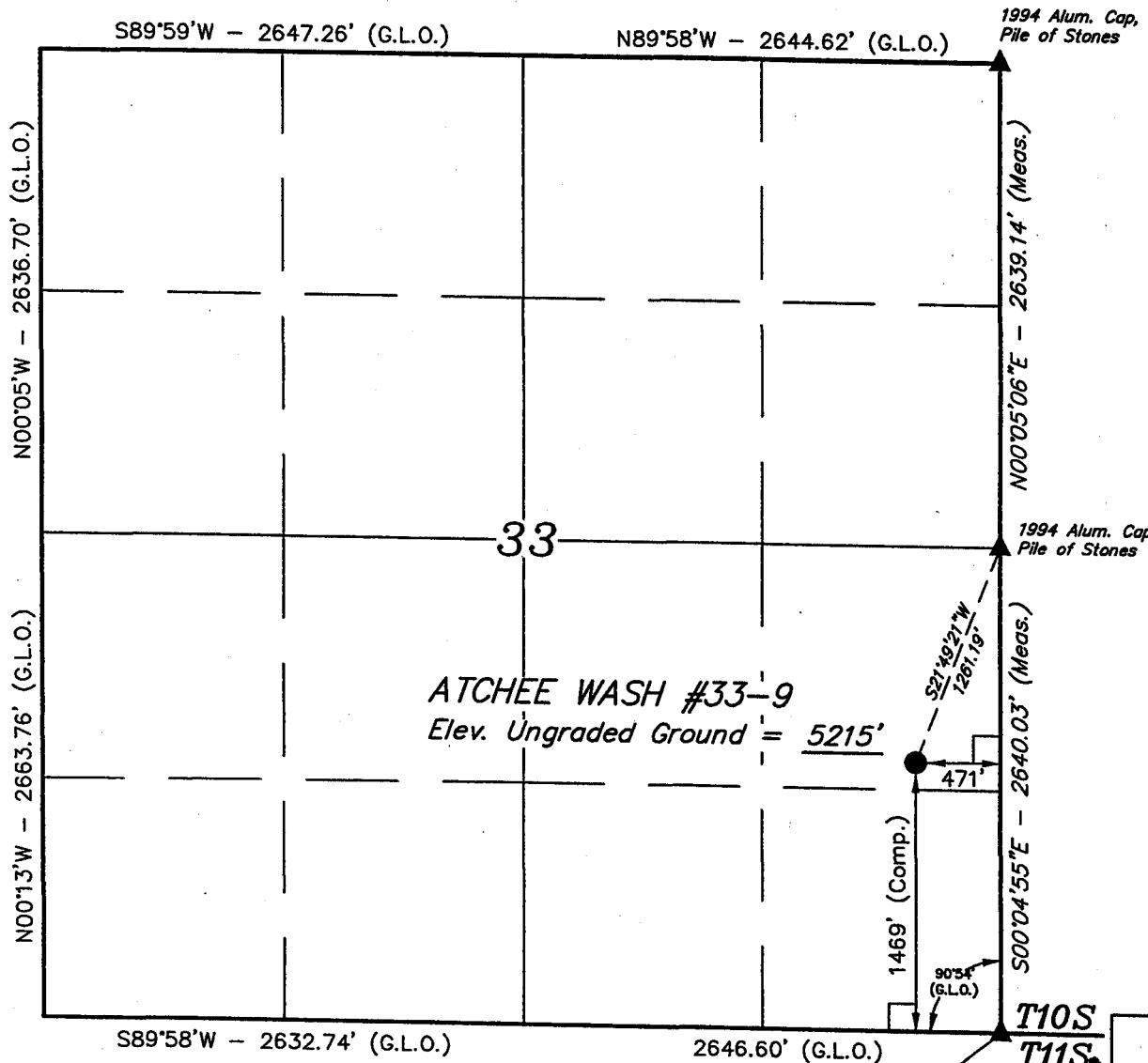
BENCH MARK 57 EAM LOCATED IN THE NE 1/4 OF SECTION 24, T11S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE. QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5192 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROBERT L. [Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 108519
STATE OF UTAH



BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 39°54'07.96" (39.902211)

LONGITUDE = 109°19'26.98" (109.324161)

LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

UNTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 4-2-04	DATE DRAWN: 4-7-04
PARTY D.A. T.A. C.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE McELVAIN OIL & GAS PROP., INC.	

SELF-CERTIFICATION STATEMENT

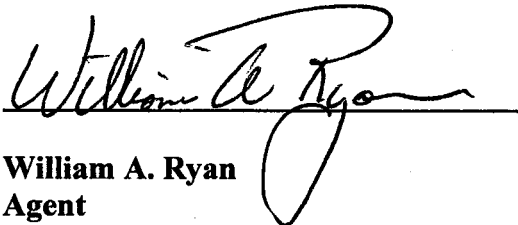
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that McElvain Oil and Gas Prop., INC. are considered to be the operator of the following well.

**Atchee Wash 33-9
NE 1/4, SE 1/4, Section 33, T.10S, R. 23 E.
Lease UTU-73451
Uintah County, Utah**

The McElvain Oil and Gas Prop., INC. is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond LMP-4138223 provides state-wide bond coverage on all Federal lands.

A handwritten signature in black ink, appearing to read "William A. Ryan", is written over a horizontal line.

**William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax
rmcwar@hotmail.com**

Ten Point Plan**McElvain Oil & Gas Prop., INC**

Atchee Wash 33-9

Surface Location NE ¼ SE ¼, Section 33, T. 10S., R. 23 E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Drilled Depth</u>	<u>Subsea</u>
Green River	1512'	3702'
Uteland Butte Limestone	3512'	1702'
Wasatch	3612'	1602'
Mesaverde	5612'	-398'
Castlegate	7787'	-2573'
Mancos	8147'	-2933'
TD	8297'	-3083

A 12 ¼ hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information:

Off set well:

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade Weight/FT</u>	<u>Setting & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 1/4	9 5/8	24 #	J-55/STC	2000	NEW
7 7/8	4 1/2	11.6#	N-80/LTC	T.D.	NEW

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	9 5/8	Primium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride	250 sks. +/-	3.38ft ³ /sk	11.0 ppg
Tail:	9 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft ³ /sk	15.6 ppg
Top Job:	9 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft ³ /sk	15.6 ppg

Production casing will be cemented to 2,500' or higher as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:					
	4 1/2	Primium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate	200 sks +/-	3.3ft ³ /sk	11.0 ppg
Tail:					
	4 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	400 sks +/-	1.56ft ³ /sk	14.3 ppg

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-2000	Air/Clear Water	-----	No Control	Water/Gel
2000-T.D.	8.4-8.6 (12.0)	30	8-10	Water/Gel

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

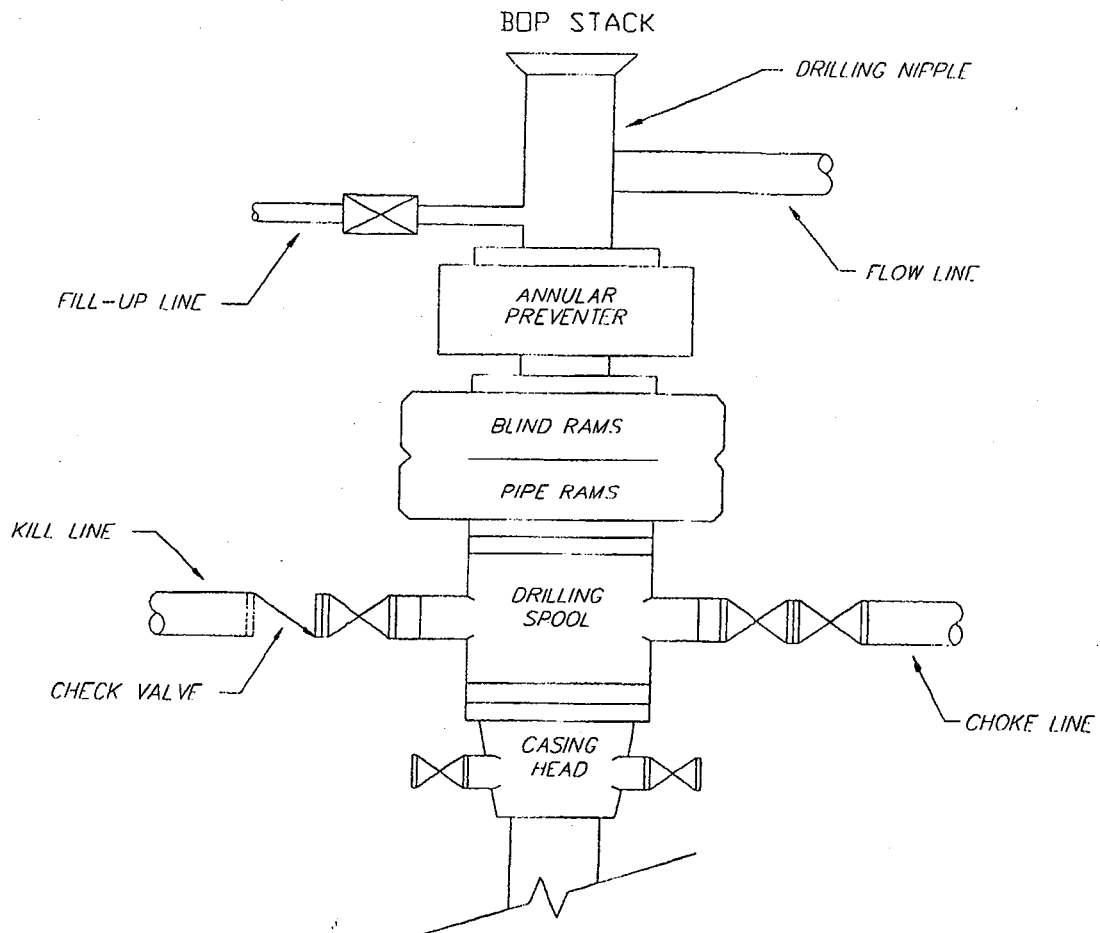
9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

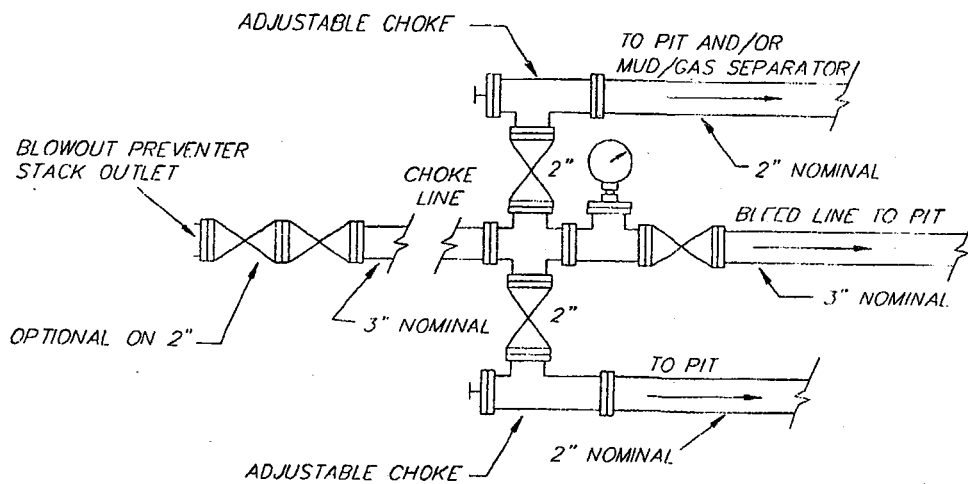
10. Drilling Schedule:

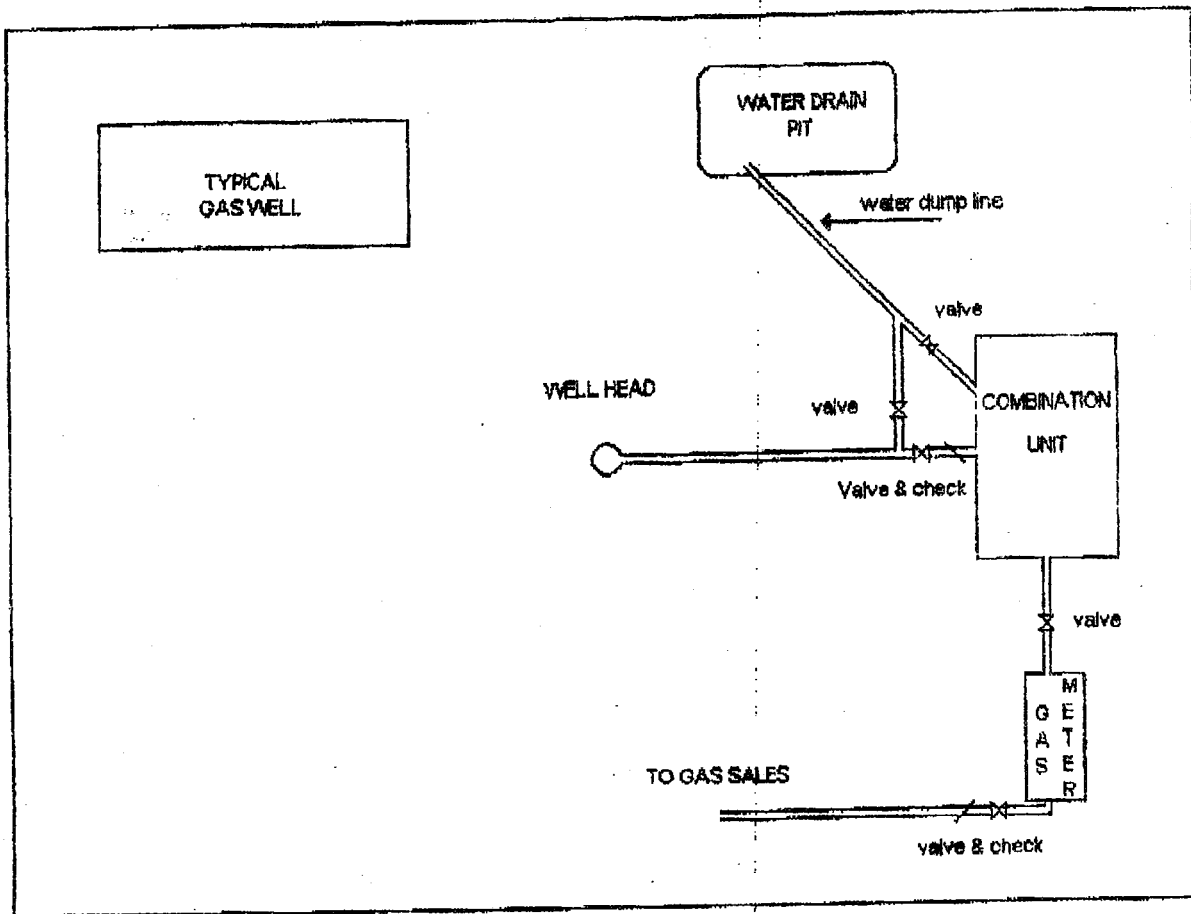
The anticipated starting date is September 1, 2004. Duration of operations is expected to be 30 days.

TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i.
CHOKE MANIFOLD SCHEMATIC





MCELVAIN OIL & GAS PROP., INC

13 POINT SURFACE USE PLAN

FOR WELL

ATCHEE WASH 33-9

LOCATED IN NE ¼ SE ¼

SECTION 33, T.10S, R23E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-73451

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads:

To reach McElvain Oil and Gas Prop., INC well Atchee Wash #33-9 in Section 33, T 10 S, R 23 E, from Vernal, Utah:

Starting in Vernal, Utah Proceed in an Easterly, then Southerly direction from Vernal, Utah along US Highway 40 approximately 3.9 miles to the junction of state highway 45; exit right and proceed in a southerly direction approximately 41.5 miles on paved state highway 45 to the junction of this road and gravel state highway 45 to the southeast; turn left and proceed in a southeasterly direction approximately 3.8 miles to the junction of this road and state highway 207 to the southwest; turn right and proceed in a southwesterly direction approximately 8.4 miles to the junction of this road and an existing road to the southwest; proceed in a southwesterly direction approximately 7.8 miles to the junction of this road and existing road to the northwest; turn right and proceed in a northwesterly direction approximately 0.5 miles to the junction of this road and an existing road to the west; turn left and proceed in a westerly, then northerly direction approximately 2.7 miles to the junction of this road and an existing road to the north; proceed in a northerly direction approximately 6.9 miles to the junction of this road and existing road to the northwest; turn left and proceed in a northwesterly, then northerly direction approximately 1.1 miles to the beginning of the proposed access to the northwest; follow road flags in a northwesterly direction

approximately 200' to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 76.6 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

Will use existing roads to existing location. The road will be graded once per year minimum and maintained.

- | | |
|----------------------------------|----------------|
| A) Approximate length | 200 ft |
| B) Right of Way width | 30 ft. |
| C) Running surface | 18 ft. |
| D) Surface material | Native soil |
| E) Maximum grade | 5% |
| F) Fence crossing | None |
| G) Culvert | None |
| H) Turnouts | None |
| I) Major cuts and fills | None |
| J) Road Flagged | Yes |
| K) Access road surface ownership | |
| | Federal |
| L) All new construction on lease | Yes |
| M) Pipe line crossing | None |

Please see the attached location plat for additional details.

A right of way will not be required. All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one mile radius of the location site.

A) Producing well	None
B) Water well	None
C) Abandoned well	None
D) Temp. abandoned well	None
E) Disposal well	None
F) Drilling /Permitted well	None
G) Shut in wells	None
H) Injection well	None
I) Monitoring or observation well	None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a Juniper Green color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Juniper Green.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 2,900' +/- of 2" or 4" gathering line would be constructed on Federal Lands. The line would tie into the existing line in Section 3, T10S, R23E. The line will be strung along side the existing BLM maintained road and boomed of to the west side of the road.

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-

proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from the White River in Section 23, T10S, R23E. Water Permit #T-75517, Water Right # 49-2185. Water for completion will come from the same supply or Vernal City.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

- | | |
|-------------------------|--------------------|
| A) Pad length | 380 ft. |
| B) Pad width | 290 ft. |
| C) Pit depth | 10 ft. |
| D) Pit length | 147 ft. |
| E) Pit width | 75 ft. |
| F) Max cut | 16.0 ft. |
| G) Max fill | 6.1 ft |
| H) Total cut yds. | 14,780 cu yds |
| I) Pit location | west side |
| J) Top soil location | east &
west end |
| K) Access road location | east end |
| L) Flare Pit | corner B |

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire.

Total height of the fence shall be at least 42 inches.

- C) Corner posts shall be cemented and /or braced in such a manner to keep the fence tight at all times.

- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 2,310 cubic yards of material.

Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the

surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when top-soil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

Four wing salt brush	4#/acre
Shad scale	3#/acre
Needle & thread grass	3#/acre
Western wheat grass	2#/acre

11. Surface ownership:

Access road	Federal
Location	Federal
Pipe line	Federal

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of Sagebrush. Rabbit brush, bitter brush, and Indian rice grass are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed.
A copy of that survey will be
forwarded to your office.

If, during operations, any
archaeological or historical
sites, or any objects of antiquity
(subject to the antiquities act of
June 8, 1906) are discovered, all
operations, which would affect
such sites will be suspended and
the discovery reported promptly
to the surface management
agency.

D) Water:

The nearest water is the White
River located 2 miles to the
North.

E) Chemicals:

No pesticides, herbicides or
other possible hazardous
chemicals will be used without
prior application.

F) Notification:

- a) Location Construction
At least forty-eight (48)
hours prior to
construction of location
and access roads.
- b) Location completion
Prior to moving on the
drilling rig.
- c) Spud notice
At least twenty-four (24)
hours prior to spudding
the well.
- d) Casing string and

cementing

At least twenty-four (24)
hours prior to running
casing and cementing all
casing strings.

- e) BOP and related
equipment tests
At least twenty-four (24)
hours prior to initial
pressure tests.
- f) First production notice
Within five (5) business
days after the new well
begins, or production
resumes after well has
been off production for
more than 90 days.

G) Flare pit:

The flare pit will be located in
corner B of the reserve pit out
side the pit fences and 100 feet
from the bore hole on the east
side of the location. All fluids
will be removed from the pit
within 48 hours of occurrence.

13. Lessees or Operator's representative
and certification

A) Representative

William A. Ryan

Rocky Mountain Consulting

Vernal, UT 84078

Office 435-789-0968

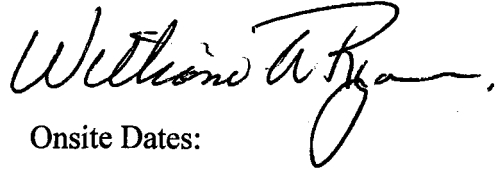
Fax 435-789-0970

Cellular 435-828-0968

All lease and/or unit operations
will be conducted in such a
manner that full compliance is

made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

William A. Ryan, Agent
Rocky Mountain Consulting



Onsite Dates:

5-1-04

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 8/18/36

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for McElvain Oil & Gas Prop., INC
Rocky Mountain Consulting
350 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

McELVAIN OIL & GAS PROP., INC.

ATCHEE WASH #33-9

SECTION 33, T10S, R23E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 41.5 MILES ON PAVED STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND GRAVEL STATE HIGHWAY 45 TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 3.8 MILES TO THE JUNCTION OF THIS ROAD AND STATE HIGHWAY 207 TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 8.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 7.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN LEFT AND PROCEED IN A WESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 2.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 200' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 76.6 MILES.

McELVAIN OIL & GAS PROP., INC.

ATCHEE WASH #33-9

LOCATED IN UINTAH COUNTY, UTAH

SECTION 33, T10S, R23E, S.L.B.&M.

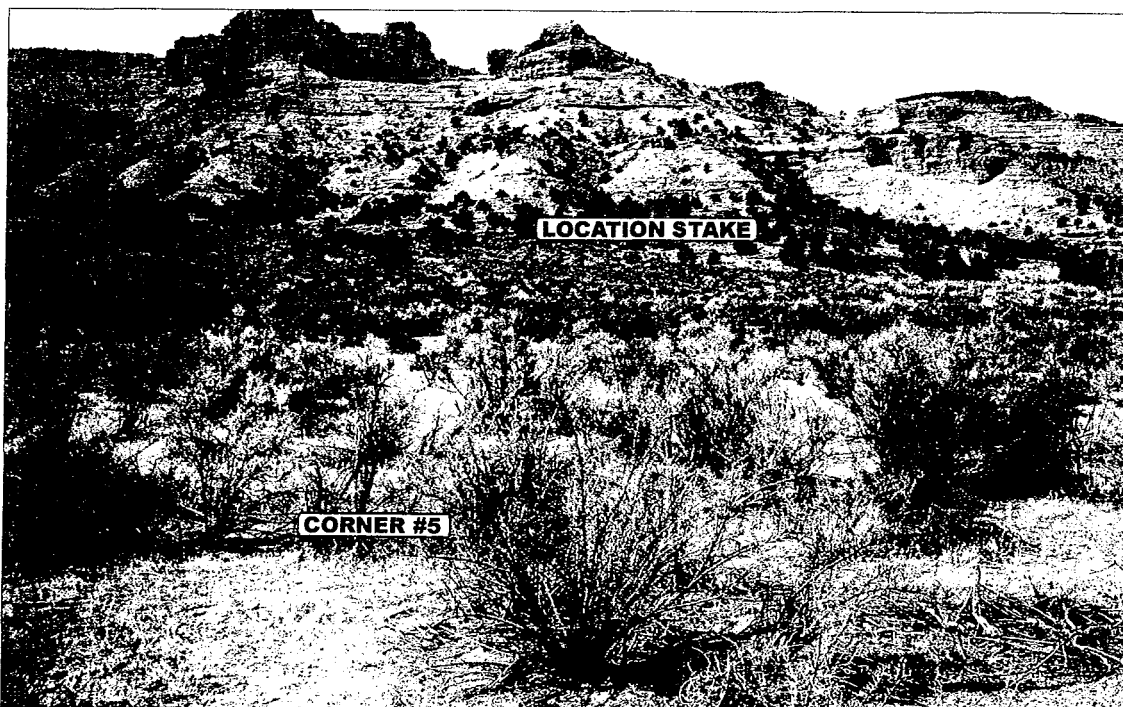


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY

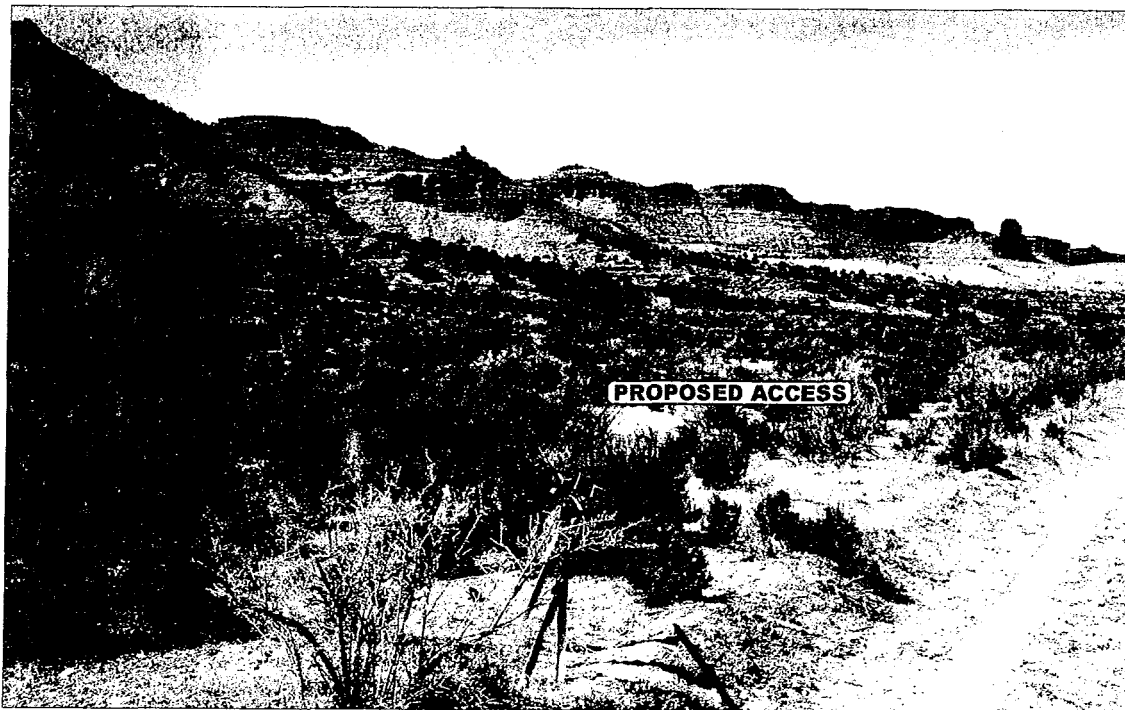


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

UELS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

04 08 04
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: P.M.

REVISED: 00-00-00

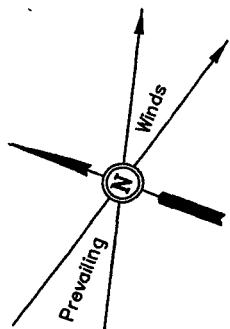
MELVAIN OIL & GAS PROP., INC.

FIGURE #1

LOCATION LAYOUT FOR

ATCHEE WASH #33-9
SECTION 33, T10S, R23E, S.L.B.&M.

1469' FSL 471' FEL

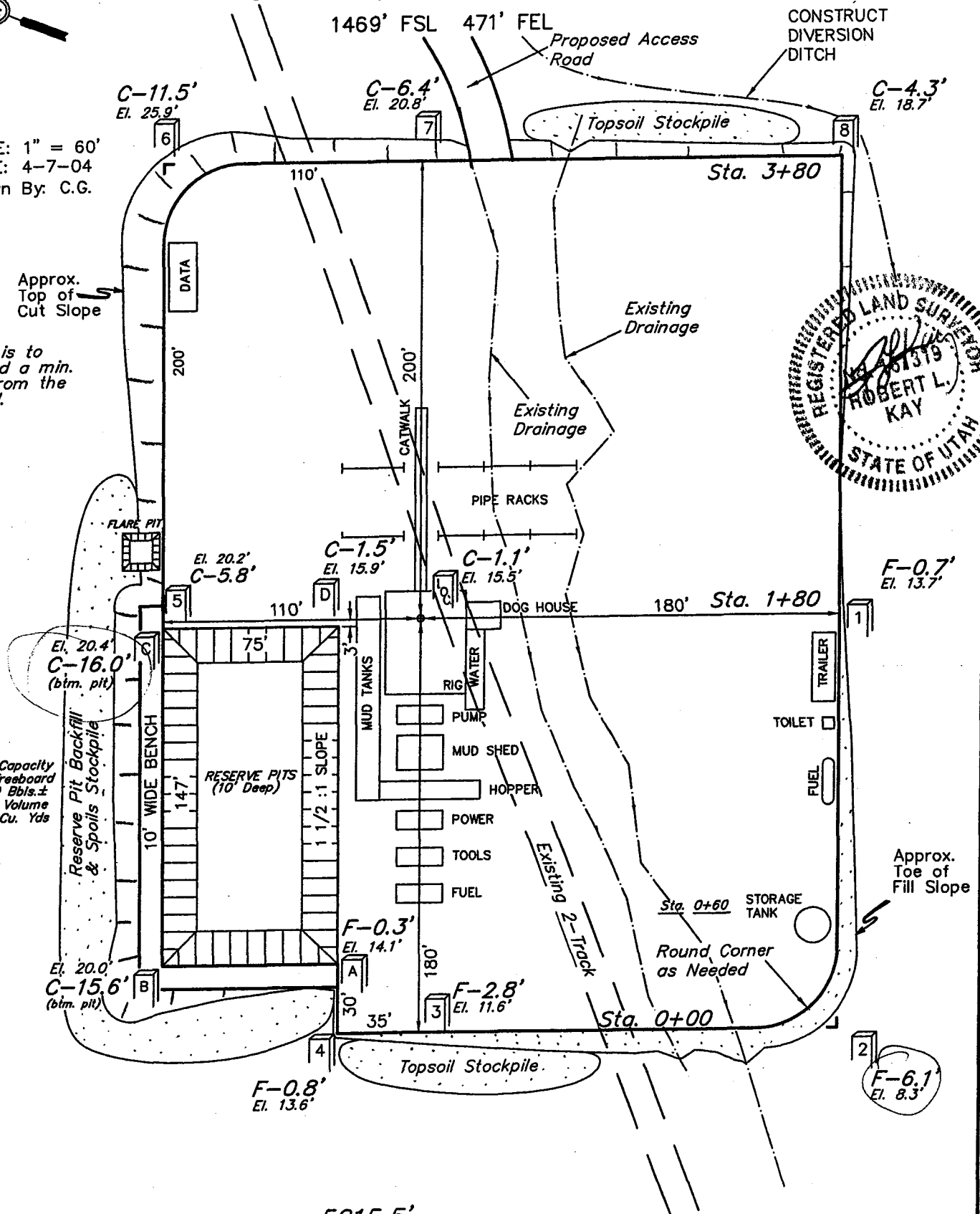


SCALE: 1" = 60'
DATE: 4-7-04
Drawn By: C.G.

Approx.
Top of
Cut Slope

NOTE:
Flare Pit is to
be located a min.
of 100' from the
Well Head.

Total Pit Capacity
W/2' of Freeboard
= 10,550 Bbls.±
Total Pit Volume
= 2,960 Cu. Yds



Elev. Ungraded Ground at Location Stake = 5215.5'
Elev. Graded Ground at Location Stake = 5214.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

MELVAIN OIL & GAS PROP., INC.

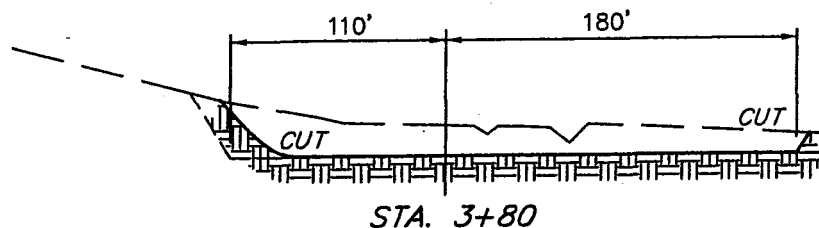
FIGURE #2

TYPICAL CROSS SECTIONS FOR

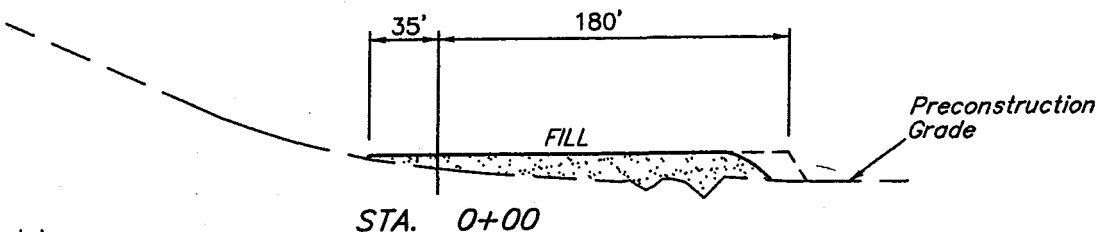
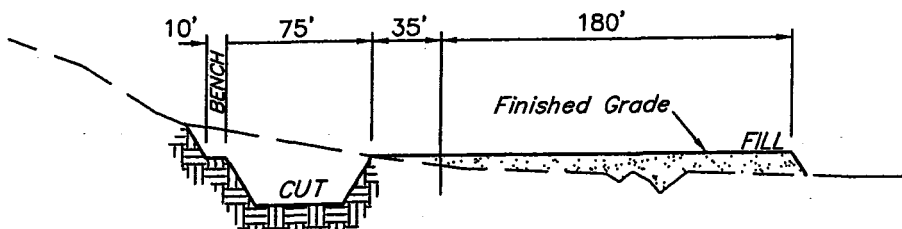
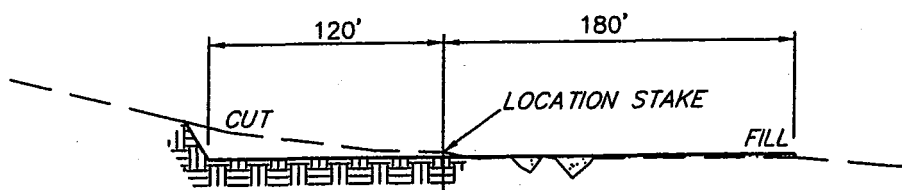
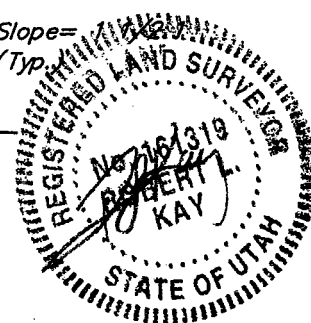
ATCHEE WASH #33-9
SECTION 33, T10S, R23E, S.L.B.&M.
1469' FSL 471' FEL

1" = 40'
X-Section
Scale
1" = 100'

DATE: 4-7-04
Drawn By: C.G.



Slope =
(Type)



NOTE:

Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 2,310 Cu. Yds.
Remaining Location = 12,470 Cu. Yds.
TOTAL CUT = 14,780 CU.YDS.
FILL = 5,270 CU.YDS.

EXCESS MATERIAL = 9,510 Cu. Yds.
Topsoil & Pit Backfill
(1/2 Pit Vol.) = 3,790 Cu. Yds.
EXCESS UNBALANCE
(After Rehabilitation) = 5,720 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

R
23
E

PROPOSED LOCATION:
ATCHEE WASH #33-9

PROPOSED ACCESS 200' +/-

EXISTING 2-TRACK NEEDS
UPGRADED 1.1 MI. +/-

LAPAGLIA
FEDERAL #1

STATE HIGHWAY 45 26.3 MI. +/-
BONANZA 35.5 MI. +/-
VERNAL 75.5 MI. +/-

T10S

T11S

LEGEND:

————— EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD
- - - - - EXISTING 2-TRACK NEEDS UPGRADED



McELVAIN OIL & GAS PROP., INC.

ATCHEE WASH #33-9
SECTION 33, T10S, R23E, S.L.B.&M.
1469' FSL 471' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

07 08 04
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

B
TOPO

R
23
E

PROPOSED LOCATION:
ATCHEE WASH #33-9

T10S

T11S

LEGEND:

- | | |
|-------------------|-------------------------|
| Ø DISPOSAL WELLS | Ø WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |

McELVAIN OIL & GAS PROP., INC.

ATCHEE WASH #33-9
SECTION 33, T10S, R23E, S.L.B.&M.
1469' FSL 471' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

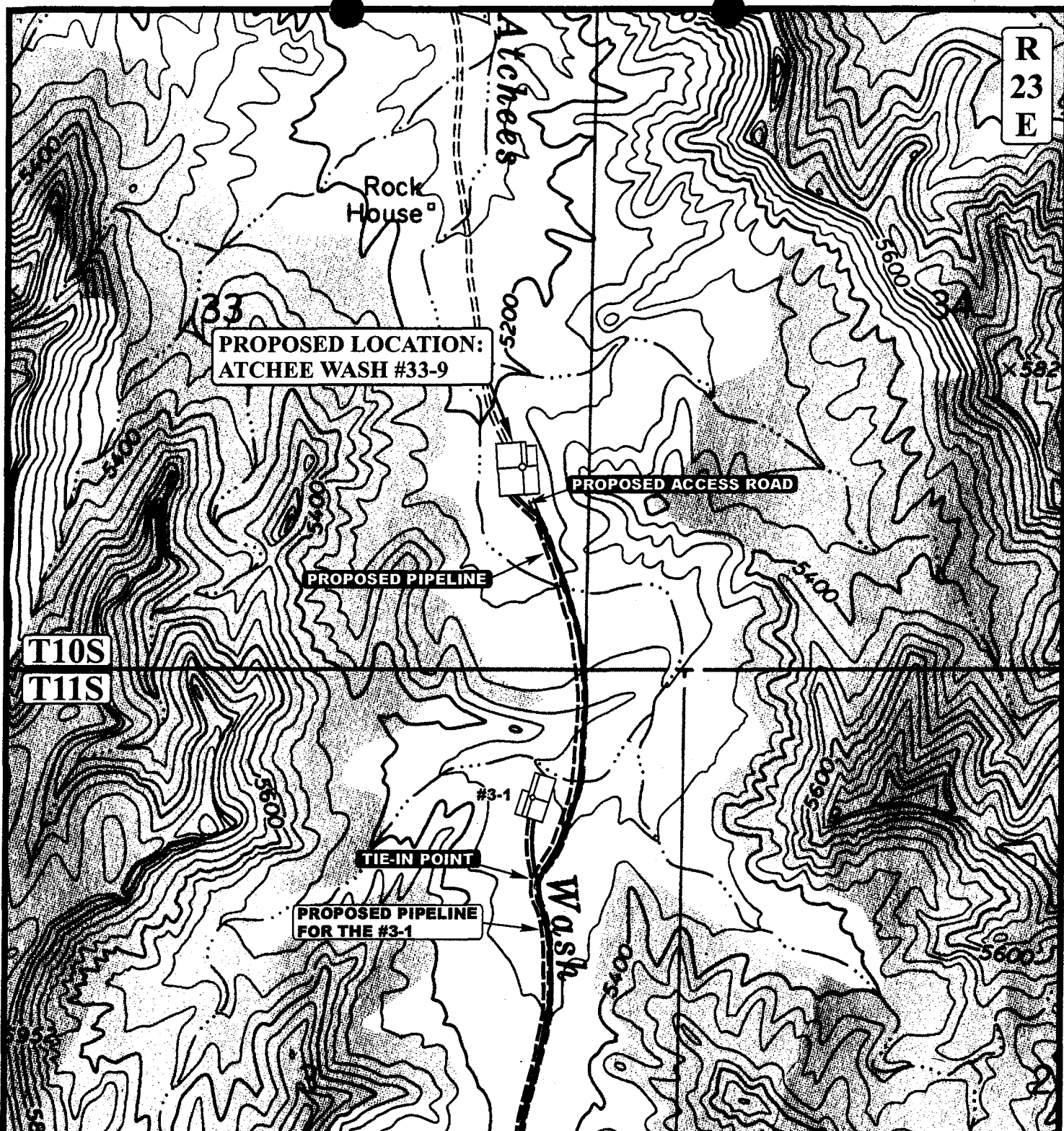


TOPOGRAPHIC
MAP

07 **08** **04**
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

C
TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 2,900' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



McELVAIN OIL & GAS PROP., INC.

ATCHEE WASH #33-9
SECTION 33, T10S, R23E, S.L.B.&M.
1469' FSL 471' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 07 08 04
MAP MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410



IN REPLY REFER TO:
3103.4-4
(UT-08300)

September 8, 2004

McElvain Oil & Gas Properties, Inc.
Attn: William A. Ryan, Agent
350 East 800 South
Vernal, UT 84078

RE: Request for Suspension of Production and Operations
Lease UTU – 73451
Uintah County, Utah

Dear Mr. Ryan:

We have received your request, dated August 23, 2004, for a suspension of operations and production for Federal lease U-73451. The request was initiated because the processing of the Applications for Permit to Drill (APD) for the Atchee Wash 33-9 well, proposed to be located within Lease UTU – 73451, is being delayed until the Environmental Assessment (EA) for your proposed action is completed. Because of this need, more time will be required to process the Application for Permit to Drill (APD) than the time frames listed in Onshore Oil and Gas Order No. 1.

A review of our records show that lease UTU-73451 was issued effective October 1, 1994, for a period of 10 years. Pursuant to the provisions of 43 CFR 3103.4-4, your request for suspension of operations and production for the aforementioned lease is hereby **granted, effective August 1, 2004**. The suspension will terminate (1) automatically ninety (90) days after the first of the month in which McElvain Oil & Gas Properties, Inc. is notified of a decision not to approve the APD, as submitted, or (2) the first day of the month in which actual drilling operations are commenced on any of the proposed wells should it be decided to permit the drilling of any of the wells.

The suspension is granted with the further understanding that should drilling be permitted and the operator fails to commence actual drilling operations within ninety (90) days following the receipt of an approved APD, the suspension of operations and production will terminate on the first of the month in which said ninety (90) days period expires. Rental payments required by the referenced lease will be waived for each full month during which all operations and production are suspended pursuant to this matter.

Paradigm Consulting, INC
Ginger Stringham
PO BOX 790203
Vernal, UT 84079

August 18, 2004

Dear Sir or Madam,

This letter is in reference to McElvain Oil & Gas Prop, INC well Atchee Wash 33-9 in Section 33, T10S, R23E. The operator is requesting a lease suspension for the subject well due to delays in the permitting process. The lease is due to expire on October 31, 2004. Lease #UTU-73451.

Please send all correspondence to:

William A Ryan
350 S 800 E
Vernal, UT 84078
435-789-0968

Regards,

Ginger Stringham

McELVAIN OIL & GAS

DRILLING PROGNOSIS

Well Name: Atchee Wash 33-9
Location: 1469' FSL, 471' FEL
NESE Sec. 33, T10S, R23E
Uintah County, Utah

API Number: 43-047-
Field:

Ground Level: 5777 '
Estimated TD: 8297 '

Estimated KB: 5787 '
(150' below base Castlegate)

FORMATION TOPS

Formation	Drilled Depth	Subsea
Green River	1512 '	4275 '
Uteland Butte Limestone	3512 '	2275 '
Wasatch	3612 '	2175 '
Mesaverde	5612 '	175 '
Castlegate	7787 '	-2000 '
Mancos	8147 '	-2360 '
TD	8297 '	

DRILLING PROGRAM

Open Hole Logs: Dual Induction & Density/Neutron
Logging Company: Schlumberger 435-789-3394
Wellsite Geologist:
Mudlogging:
Drilling Contractor:

COMPANY REPRESENTATIVES

Drilling Engineer:

Engineer:	Reed Fischer	Home: 303-694-4655 Cell: 303-981-2921 Office: 303-893-0933 ext. 330 Fax: 303-893-0914
Geologist:	Jane Estes-Jackson	Home: 303-456-8932 Cell: 303-882-4838 Office: 303-893-0933 ext. 305 Fax: 303-893-0914

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/16/2004

API NO. ASSIGNED: 43-047-36106

WELL NAME: ATCHEE WASH 33-9

OPERATOR: MCELVAIN OIL & GAS (N2100)

CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

NESE 33 100S 230E

SURFACE: 1469 FSL 0471 FEL

BOTTOM: 1469 FSL 0471 FEL

UINTAH

NATURAL BUTTES (630)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73451

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MNCS

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.90221

LONGITUDE: -109.3235

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. LMP-4138223)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. 49-2185)

☒ RDCC Review (Y/N)
(Date:)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit

R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

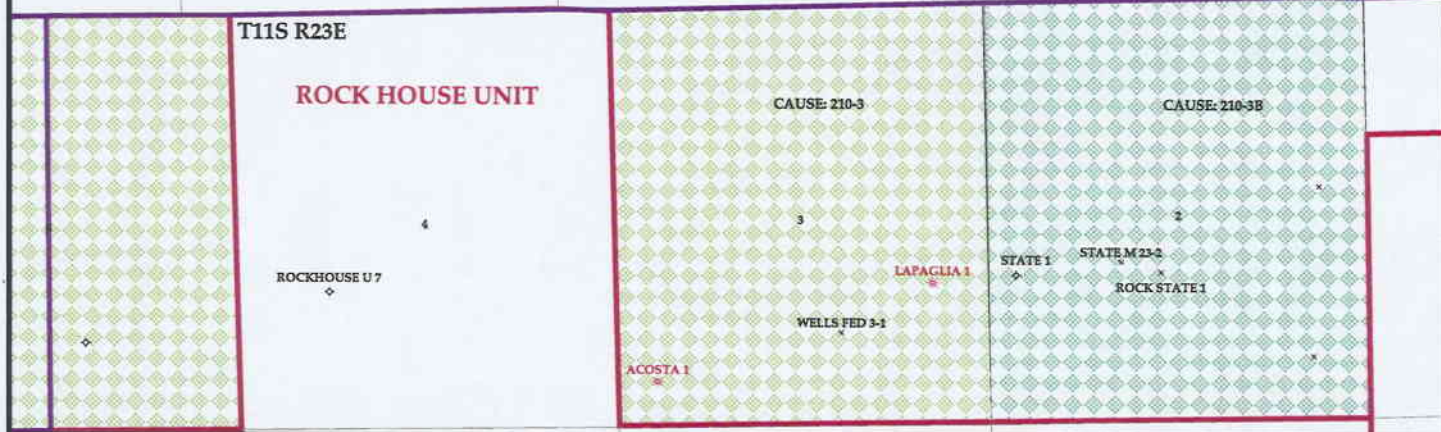
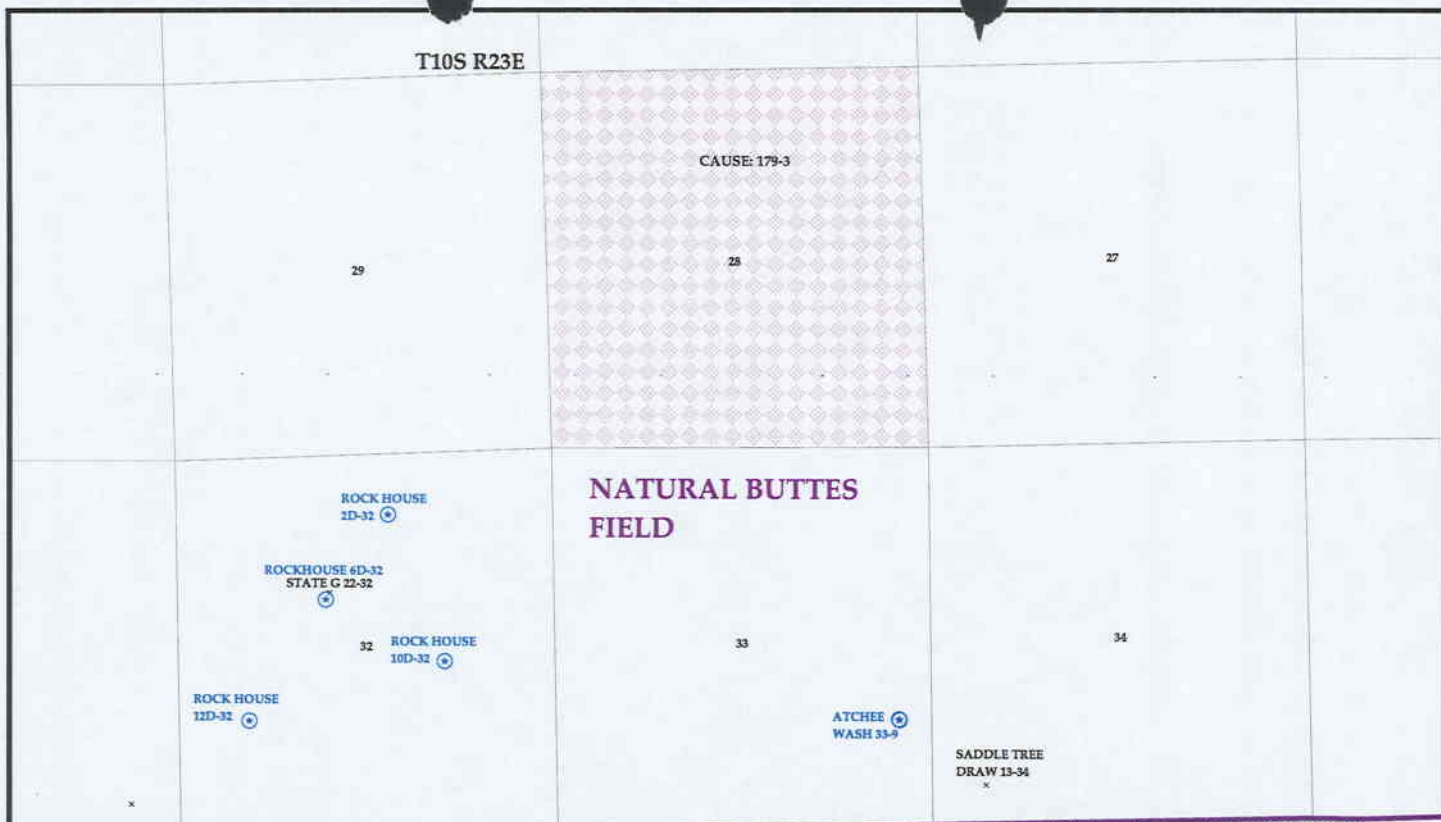
R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval

2- Spacing Map



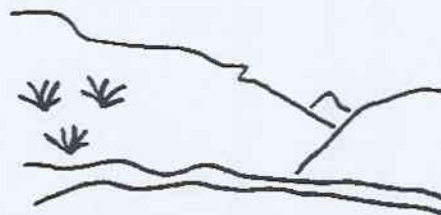
OPERATOR: MCELVAIN O&G CO (N2100)

SEC. 33 T.10S R.23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

Wells	Units.shp	Fields.shp
✱ GAS INJECTION	EXPLORATORY	ABANDONED
⊙ GAS STORAGE	GAS STORAGE	ACTIVE
× LOCATION ABANDONED	NF PP OIL	COMBINED
⊕ NEW LOCATION	NF SECONDARY	INACTIVE
⊖ PLUGGED & ABANDONED	PENDING	PROPOSED
✱ PRODUCING GAS	PI OIL	STORAGE
● PRODUCING OIL	PP GAS	TERMINATED
⊖ SHUT-IN GAS	PP GEOTHERML	
⊖ SHUT-IN OIL	PP OIL	
× TEMP. ABANDONED	SECONDARY	
○ TEST WELL	TERMINATED	
▲ WATER INJECTION		
◆ WATER SUPPLY		
♣ WATER DISPOSAL		



PREPARED BY: DIANA WHITNEY
DATE: 19-NOVEMBER-2004

002

October 30, 2004

RE: McElvain Oil and Gas Properties, INC
Atchee Wash 33-9
Sec.33, T10S, R23E

Utah Division of Oil, Gas and Mining
1549 West North Temple
Suite 1210
PO BOX 145801
SLC, UT 84114

Dear Sir or Madam,

McElvain Oil and Gas Properties respectfully requests a spacing exception for the subject well. The well has been moved from the center of the forty-acre spacing.

The well is located at 1469' FSL & 471' FEL, which has changed from the proposed location at 1980' FSL & 660' FEL.

The location was moved due to a major drainage and extremely restricting topography. Please see the plat maps.

McElvain Oil and Gas Properties is the only lease owner within a 460' radius.

If you have additional questions please contact:

William A Ryan, Agent
350 S 800 E
Vernal, UT 84078
435-789-0968

Sincerely,



Ginger Stringham

RECEIVED

NOV 22 2004

DIV. OF OIL, GAS & MINING



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

November 24, 2004

McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 1800
Denver, CO 80265

Re: Atchee Wash 33-9 Well, 1469' FSL, 471' FEL, NE SE, Sec. 33, T. 10 South,
R. 23 East, Uintah County, Utah

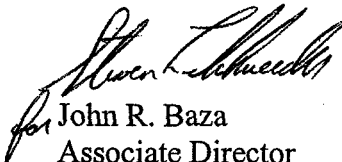
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36106.

Sincerely,


John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: McElvain Oil & Gas Properties, Inc.
Well Name & Number Atchee Wash 33-9
API Number: 43-047-36106
Lease: UTU-73451

Location: NE SE Sec. 33 T. 10 South R. 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **McElvain Oil & Gas Properties, Inc.**

3a. Address
1050 17th Street, Suite 1800 Denver, CO 80265

3b. Phone No. (include area code)
303-893-0933

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1469' FSL 471' FEL NESE Sec. 33 T10S R23E S.L.B.&M.

5. Lease Serial No.
UTU-73451

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
Atchee Wash #33-9

9. API Well No.
43-047-36106

10. Field and Pool, or Exploratory Area
Natural Buttes

11. County or Parish, State
Uintah Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Surface Use Plan Revision - Ancillary Facilities: During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crew's housing and eating facility. These will be located on the perimeter of the pad site within the topsoil stockpiles. No additional surface disturbance will occur from what was proposed in the initial APD. The previously submitted waste management procedures remain in effect.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

BLM Bond No. LMP-4138223

RECEIVED
MAY 16 2005

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

James G. Hohenstein

Title **Land Manager**

Signature

Date

5/13/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

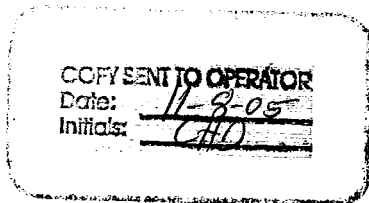
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73451
2. NAME OF OPERATOR: McElvain Oil & Gas Properties, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: na
3. ADDRESS OF OPERATOR: 1050 17th St., Ste. 1800 CITY Denver STATE CO ZIP 80265		7. UNIT or CA AGREEMENT NAME: na
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1469' FSL & 471' FEL		8. WELL NAME and NUMBER: Atchee Wash #33-9
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 33 10S 23E		9. API NUMBER: 4304736106
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Natural Buttes
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 7/1/2006	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for Drilling Permit Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

McElvain Oil & Gas Properties, Inc. is requesting an extension to our November 24, 2005 drilling permit expiration date due to delays in our receipt of the federal drilling permit. The Vernal Utah office of the Bureau of Land Management is continuing its review of our proposed well site due to its proximity to a "citizens proposed wilderness area". Until McElvain Oil & Gas receives a federal drilling permit, we will be unable to proceed with our plans to drill this well.

PLEASE SEE THE ATTACHED STATE OF UTAH FORM "APPLICATION FOR PERMIT TO DRILL - REQUEST FOR PERMIT EXTENSION VALIDATION".



Approved by the
Utah Division of
Oil, Gas and Mining
Date: 10-26-05
By: [Signature]

NAME (PLEASE PRINT) E. Reed Fischer	TITLE Operations Engineer
SIGNATURE [Signature]	DATE 10/24/2005

(This space for State use only)

RECEIVED

OCT 26 2005

DIV. OF OIL, GAS & MINING

RESET

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-36106
Well Name: Atchee Wash #33-9
Location: NESE Sec. 33, T10S-R23E, Uintah County, Utah
Company Permit Issued to: McElvain Oil & Gas Properties, Inc.
Date Original Permit Issued: 11/24/2004

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

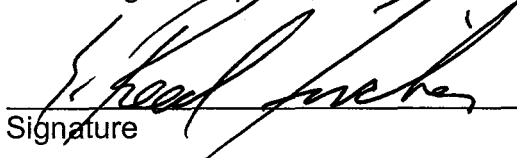
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

10/24/2005

Date

Title: Operations Engineer

Representing: McElvain Oil & Gas Properties, Inc.

RECEIVED
OCT 26 2005
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
McElvain Oil & Gas Properties, Inc.

3. ADDRESS OF OPERATOR:
1050 17th Street, Suite 1800 CITY Denver STATE CO ZIP 80265

PHONE NUMBER:
(303) 893-0933

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1469' FSL & 471' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 33 10S 23E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU - 73451

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

7. UNIT or CA AGREEMENT NAME:
N/A

8. WELL NAME and NUMBER:
Atchee Wash #33-9

9. API NUMBER:
4304736106

10. FIELD AND POOL, OR WILDCAT:
Natural Buttes

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>7/1/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Request for Drilling Permit Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

McElvain Oil & Gas Properties, Inc. is requesting an extension to our November 24, 2004 drilling permit expiration date due to delays in our receipt of the federal drilling permit. The Vernal Utah office of the Bureau of land management is continuing its review of our proposed well site due to its proximity to a "citizens proposed wilderness area". Until McElvain Oil & Gas receives a federal drilling permit, we will be unable to proceed with our plans to drill this well.

Please see the attached state of Utah form "APPLICATION FOR PERMIT TO DRILL- REQUEST FOR PERMIT EXTENSION VALIDATION".

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 08-16-06
By: [Signature]

NAME (PLEASE PRINT) Barbara Martin

TITLE Engineer

SIGNATURE [Signature]

DATE 8/8/2006

(This space for State use only)

COPY SENT TO OPERATOR
Date: 9/2/06
Initials: RM

RECEIVED

AUG 11 2006

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-36106
Well Name: Atchee Wash #33-9
Location: NESE. Sec. 33, T10S-R23E, Uintah County, Utah
Company Permit Issued to: McElvain Oil & Gas Properties, Inc.
Date Original Permit Issued: 11/24/2004

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

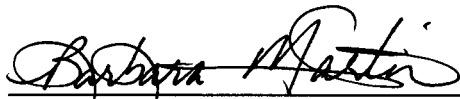
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

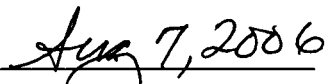
Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature



Date

Title: Engineer

Representing: McElvain Oil & Gas Properties, Inc.

RECEIVED

AUG 11 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.</small>		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73451
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
		7. UNIT or CA AGREEMENT NAME: N/A
		8. WELL NAME and NUMBER: Atchee Wash #33-9
2. NAME OF OPERATOR: McElvain Oil & Gas Properties, Inc.		9. API NUMBER: 4304736106
3. ADDRESS OF OPERATOR: 1050 17th Street, Ste 1800 CITY Denver STATE CO ZIP 80265		PHONE NUMBER: (303) 893-0933
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		10. FIELD AND POOL, OR WILDCAT: Natural Buttes
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1469' FSL & 471' FEL COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 33 10S 23E STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 7/1/2008	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Request for Drilling Permit Extension
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

McElvain Oil & Gas Properties, Inc. is requesting an extension to our November 24, 2004 State of Utah drilling permit. We are waiting on a Federal APD approval at this time, and would like to apply for the maximum extension time allowed.

PLEASE SEE THE ATTACHED STATE OF UTAH FORM "APPLICATION FOR PERMIT TO DRILL - REQUEST FOR PERMIT EXTENSION VALIDATION"

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 08-06-07
By: [Signature]

NAME (PLEASE PRINT) Barbara Martin	TITLE Engineer
SIGNATURE <u>[Signature]</u>	DATE 8/1/2007

(This space for State use only)

COPY SENT TO OPERATOR
Date: 8-7-07
Time: PM

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

AUG 06 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-36106
Well Name: Atchee Wash #33-9
Location: NESE Sec. 33, T10S-R23E, Uintah County, Utah
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Date Original Permit Issued: 11/24/2004

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Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature

8/1/2007

Date

Title: Engineer

Representing: McElvain Oil & Gas Properties, Inc.

RECEIVED

AUG 06 2007

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 23, 2008

McElvain Oil & Gas Properties, Inc.
1050 17^H Street, Suite 1800
Denver, CO 80265

Re: APD Rescinded – Atchee Wash 33-9 Sec. 33 T. 10 R. 23E Uintah County, Utah
API No. 43-047-36106

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 24, 2004. On October 26, 2005, August 16, 2006 and August 6, 2007, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 23, 2008.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal